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THE TRANSPORTATION & BUSINESS LOGISTICS MAGAZINE APRIL 1990

THE INFRASTRUCTURE COLLAPSE

The true cost of a private fleet

Ryder focuses on logistics

Assessing risk in capital projects

APRIL 1990

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THE TRANSPORTATION & BUSINESS LOGISTICS MAGAZINE

VOL. 89, NO. 4

COVER STORY

34 THE ROAD TO RECOVERY

For most Americans, "infrastructure" was always just another $10 Washington word that had little meaning. Then bridges and roads started to collapse. People were killed. Now infrastructure is linked directly to public safety and national economic vitality. The situation borders on the disastrous. Why is so little being done to address it?

FEATURES

46 HOW TO DO A PRIVATE FLEET ANALYSIS

The days are gone when transportation managers can justify private fleets by sleight of hand. Today, top management wants to see real operational improvements based on objective analyses.

54 THIRD PARTIES: AGENTS OF CHANGE

Highly focused companies like Ryder System see nothing but opportunity in the upheaval that characterizes today's distribution environment.

66 CASEBOOK: COMPUTERIZING LOGISTICS

74 LOGISTICS TOOLS: HOW TO PERFORM A RISK ANALYSIS

The people who hold the purse strings want more than a target ROI for your project. Here's how to accurately gauge whether you have a winner or loser.

DEPARTMENTS

4 EDITORIAL

13 LOGISTICS TRENDS

18 TRANSPORTATION REPORT

30 GLOBAL LOGISTICS REPORT

78 DISTRIBUTION DOCKET

79 LITERATURE

80 EQUIPMENT & TECHNOLOGY

88 MANAGEMENT

Next Month:
EDI: What level is right for you?

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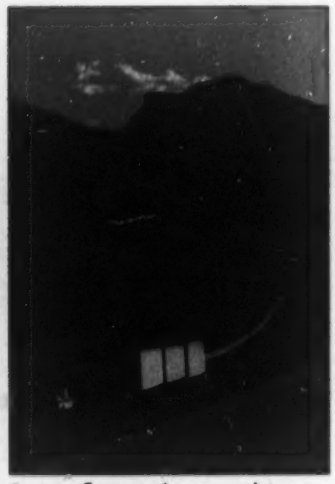
TRANSPORTATION REPORT

Trucking

THE DAY OF RECKONING IS AT HAND FOR MOTOR CARRIER RATE BUREAUS

The days of having it both ways may soon end for the nation's motor carrier rate bureaus and their carrier members. For several years, shipper groups have protested in vain the amazing coincidental relationship between independent actions taken by carrier members and general rate increases either allowed or rejected by the Interstate Commerce Commission. Those protests fell victim to the ideological split that highlighted the reign of Heather Gradison as ICC chairman. Shipper protests of the discounting rage and its relationship to rate increases also fell by the wayside.



Lots of questions

However, times are changing under the reconstituted Commission. The arrival of Commissioners Karen B. Phillips, Ed Emmett, and Chairman Edward J. Philbin portends a more reasonable forum for the shipper and carrier masses and less clout for the megapowers, as evidenced by recent developments concerning rate bureau activities.

The issues to be considered include the following: Do independent rate actions and subsequent discounting off of those rates defeat the purpose of ICC regulation? What is the relationship between carrier revenue needs and carrier discounting activities? Does the discounting activity lead to differential pricing that is inherently discriminatory? Why is the agency fiddling with a 4 percent general rate increase (GRI) when carriers routinely offer discounts in excess of 40 percent to favored (read big) shippers? Does the process of "flagging out" of GRIs while submitting independent rate actions identical to the GRI request circumvent federal regulatory review?

These are a few of the questions to be considered in the upcoming investigation, and they should provide fertile ground for lively discussion between the power-hitter members of the carrier and shipper community *vis a vis* their more modest counterparts that generally have been on the short end of the discounting stick.

The thrust of the Justice Department's petition is that bureau member activity in simultaneously filing GRIs and nearly identical independent rate actions constitutes an abuse of the antitrust immunity bestowed on the bureau. According to the Justice Department, there is clear evidence of improper activity by the bureau and its carrier members.

DRUG USE IS DOWN, BUT THE NUMBER OF USERS REMAINS UNACCEPTABLY HIGH

The average truck driver feels that one in every four of his/her fellow drivers operates under the influence of illegal drugs. This was the average uncovered in a recent survey conducted by the Regular Common Carrier Conference (RCCC).

When drivers were asked to give an estimate on how many of their fellow truck drivers regularly use illegal drugs, the percentage—although it did decline slightly—was higher than expected. Last year this same survey showed that 29 percent felt their fellow drivers used illegal drugs. This year, the number decreased to 26 percent.

DRUG TEST INCIDENCE
AND DEGREE OF DRIVER APPROVAL
(PERCENT OF DRIVERS)

Test Type	Tested in Last Year	Test Approval
Pre-employment	46	84
Post-accident	6	90
US DOT physical exam	68	89
"Reasonable suspicion"	6	76
Random (nonscheduled)	8	68

Few take the test

Drivers were also asked about their experience regarding the five different types of drug testing: post-accident, pre-employment, DOT physical exam, "reasonable suspicion" and random. Drivers were asked if they had taken any of those tests during the past 12 months and if they approved or disapproved of them. The study shows that 90 percent of drivers approve of post-accident testing. Last year, 6 percent of the drivers were tested this way. Pre-employment testing and DOT physical exams are currently the most common tests. Drivers had an approval rating of 84 percent for pre-employment testing, while 89 percent said they approved of the Department of Transportation's testing in connection with physical exams. Tests given because of "reasonable suspicion" had an approval rating of 76 percent. Only 68 percent of drivers gave their approval for random testing, the most controversial type. In the past year, only 8 percent of the drivers were tested in this manner.